

**SEC. 804. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN
PROTOTYPE PROJECTS.**

(a) AUTHORIZED OFFICIALS.—(1) Subsection (a) of section 845 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160; 107 Stat. 1721; 10 U.S.C. 2371 note) is amended by inserting "the Secretary of a military department or any other official designated by the Secretary of Defense" after "Agency".

(2) Subsection (b)(2) of such section is amended to read as follows:

"(2) To the maximum extent practicable, competitive procedures shall be used when entering into agreements to carry out projects under subsection (a)."

(2) EXTENSION OF AUTHORITY.—Subsection (c) of such section is amended by striking out "terminate" and all that follows and inserting in lieu thereof "terminate at the end of September 30, 1999."

(3) CONFORMING AND TECHNICAL AMENDMENTS.—Section 845 of such Act is further amended—

(1) in subsection (b)—
(4) in paragraph (1), by striking out "(c)(2) and (c)(3) of such section 2371, as redesignated by section 827(b)(1)(B)," and inserting in lieu thereof "(e)(2) and (e)(3) of such section 2371": and

(5) in paragraph (2), by inserting after "Director" the following: ". Secretary or other official": and

(2) in subsection (c), by striking out "of the Director".

SEC. 805. INCREASE IN THRESHOLD AMOUNTS FOR MAJOR SYSTEMS.

(a) INCREASE AND ADJUSTMENT.—Chapter 137 of title 10, United States Code, is amended—

(6) in section 2302(5), by striking out the third sentence and inserting in lieu thereof the following: "A system shall be considered a major system if (A) the conditions of section 2302d of this title are satisfied, or (B) the system is designated a major system by the head of the agency responsible for the system"; and

(7) by inserting after section 2302c the following:

"§ 2302d. Major system: definitional threshold amounts

"(a) DEPARTMENT OF DEFENSE SYSTEMS.—For purposes of section 2302(5) of this title, a system for which the Department of Defense is responsible shall be considered a major system if—

"(1) the total expenditures for research, development, test, and evaluation for the system are estimated to be more than \$115,000,000 (based on fiscal year 1990 constant dollars); or
"(2) the eventual total expenditure for procurement of more than \$540,000,000 (based on fiscal year 1990 constant dollars).

"(b) CIVILIAN AGENCY SYSTEMS.—For purposes of section

2302(5) of this title, a system for which a civilian agency is responsible shall be considered a major system if total expenditures for the system are estimated to exceed the greater of—
"(1) \$750,000 (based on fiscal year 1980 constant dollars); or
"(2) the dollar threshold for a major system established by the agency pursuant to Office of Management and Budget (OMB) Circular A-109, entitled Major Systems Acquisitions.